

Memorandum

To: CHAIR AND COMMISSIONERS

Meeting Date: September 28-29, 2005

Reference No.: 2.5d.(1)
Action Item

From: CINDY MCKIM
Chief Financial Officer

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Transportation Programming

Ref: **FINANCIAL ALLOCATION FOR PROJECTS THAT EXCEED 20 PERCENT OF THE
PROGRAMMED AMOUNT
RESOLUTION FP-05-32**

RECOMMENDATION:

The California Department of Transportation (Department) recommends the California Transportation Commission (Commission) approve the following resolution.

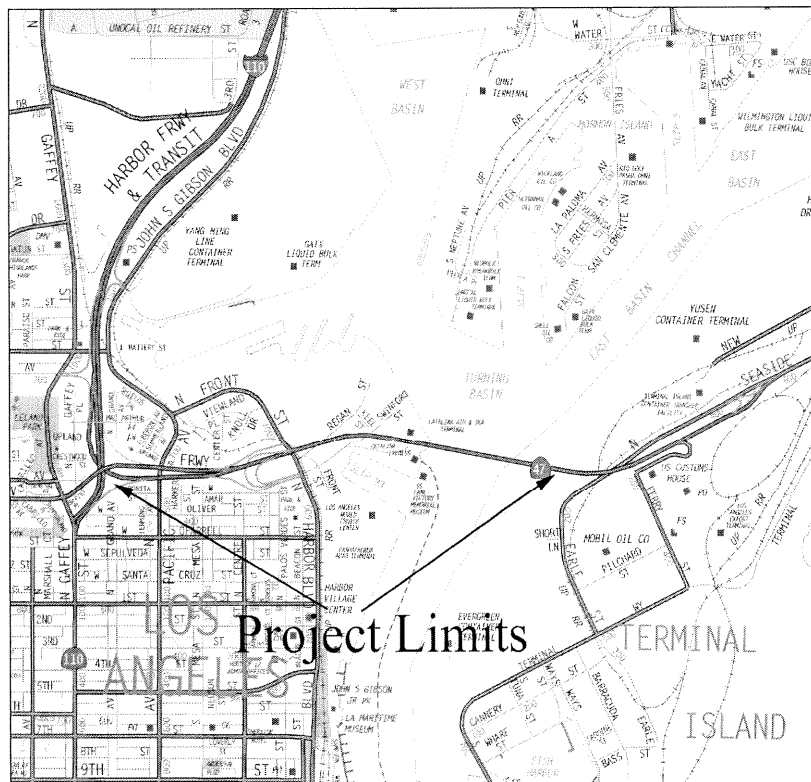
FINANCIAL RESOLUTION:

Resolved that \$3,750,000 be allocated from the Budget Act of 2005, from Budget Act Items 2660-302-0042 and 2660-302-0890 to provide funds for the project listed below. This major construction project proposed for funding is included in the State Highway Operation and Protection Program (SHOPP).

SUMMARY AND CONCLUSIONS:

This resolution allocates State and Federal funds of \$3,750,000 for one (1) new major construction project that is programmed in the SHOPP. The project has construction costs that exceed its programmed amounts by more than 20 percent, totaling \$3,750,000.

Project # Allocation Amount Recipient County Dist-Co-Rte Postmile	Location Project Description Project Support Expenditures	EA (PPNO) Program (Prog Year) Prog Amount	Budget Year Item # Program Codes	State Federal Total Amount
2.5d.(1) Allocations for Projects with Cost Increases Greater than 20 Percent of Programmed Amount Resolution: FP-05-32				
1 \$3,750,000 Department of Transportation Los Angeles 07S-LA-47 0.0/1.9	In Long Beach at Route 110 to Ocean Avenue. Install CCTV and other communication systems.	129951 07-3243 SHOPP/04-05 \$1,992,000	2005-06 302-0042 302-0890 20.20.201.315	\$430,000 \$3,320,000 \$3,750,000



PROJECT DESCRIPTION

This project is located in Los Angeles County in the cities of Los Angeles and Long Beach on Route 47 from junction of Route 110 to Ocean Avenue. The project will install key Traffic Operations System (TOS) field hardware components along Route 47 on the Vincent Thomas Bridge and its approaches. Completion of the TOS will allow the Department to effectively manage traffic along this route within the Ports of Los Angeles and Long Beach.

FUNDING STATUS

The project is currently programmed in the 2004 State Highway Operation and Protection Program (SHOPP) for \$1,992,000 for construction in the FY 2005-06. This request for \$3,750,000 will result in an increase of 88% above the programmed amount.

REASON FOR INCREASE

The current estimate is \$3,750,000, representing an increase of \$1,758,000 over the programmed amount. The reason for the higher final cost of the project is due to a combination of a low original cost estimate, additional work required, and an increase in items costs.

Since the scope of the project is very unique, there were not enough comparable data to correctly assess the cost for certain items of work for the project. This results in a low programming amount.

Furthermore, as the project was being designed, complications arose in the installation of the steel conduits on the existing Vincent Thomas steel bridge structure. This issue required some fitting modification work that was not evident during scoping and preliminary design. Additionally, a general increase in the cost of structures items as well as an increase in the cost of monitoring equipment, steel conduits, and fiber optics communication lines, all contributed to the overall project cost increase.

The final cost estimate represents the latest bid item costs as of June 2005. The project's plans, specifications, and estimate (PS&E) package was submitted to the Department's Office Engineer on June 17, 2004, and the right-of-way (R/W) was certified on June 30, 2005. The project has achieved a ready to list date on June 30, 2005 and is ready to be advertised.

FUNDING OPTIONS

OPTION A: Approve this request as represented above for \$3,750,000 to allow this project to be advertised.

OPTION B: Deny this request and direct the Department to downscope the project to remain within the proposed amount. The Department has reviewed the project scope of work and is unable to identify any options that would reduce the project cost increase to below 20 percent of the programmed dollars. Any reduction of the scope of work will result in not meeting the project's purpose and need.

OPTION C: Deny this request and direct the Department to rescind the project and reprogram this project in a future funding cycle of the SHOPP. The Department had considered this option, however, the Department could not fully assess the impact of the delay. This option would result in a missing communication link in the fiber optic communication network to the Traffic Congestion Relief Management Support Facilities (TCRMSF) during this period. The existing operational problems being experienced in the project area will continue, and the ability of the TMC staff to quickly verify and appropriately respond to an incident will be non-existent without the confirmation of traffic flow and incident conditions.

RECOMMENDED OPTION

The Department recommends that this request for \$3,750,000, as represented in Option A above, be approved to allow this project to be advertised.